



NORTH CAROLINA
OFFICE OF THE GOVERNOR

MEMORANDUM

Meeting with Duke Energy CEO Lynn Good

TO: Kristi Jones
FROM: Ken Eudy
SUBJECT: Event Brief
COPY: Carol Young, Eric Wilson

EVENT DATE: November 30, 2017

EVENT DETAILS

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|---------------------------------|---------------------------------------|
| Name of Event: | Discussion of Atlantic Coast Pipeline |
| Event Begin & End Time: | 3:30-5:00 p.m. |
| Location: | Governor's Office Capitol |
| Governor's Staff Attending: | No staff. One-on-one |
| Requested Speaking Topic: | ACP, solar, rate cases, coal ash |
| Attendees | Lynn Good |
| Will press be allowed at event? | No. |

BACKGROUND

Duke Energy and Dominion Resources have formed an enterprise known as the Atlantic Coast Pipeline, built primarily to transport gas from the Marcellus Shale to North Carolina. The pipeline would be built through West Virginia, Virginia and through nine counties in eastern North Carolina. The utilities would use the gas to replace generating plants using coal.

ACP is asking DEQ to approve three major permits to allow construction to begin. The most crucial is the water quality permit. ACP has asked for your support for the project, which it has been touting in paid and earned media as a boon to economic development in eastern North Carolina.

The pipeline itself will produce few jobs. It expands natural gas capacity but natural gas access will remain a challenge for all but mega-users.

While numerous elected officials, chambers, town councils and economic development organizations have endorsed the pipeline, nearly every environmental organization has contacted the Governor's Policy Office stating opposition (list attached).

Attached to this briefing are numerous documents:

- Questions for Lynn Good
- Map of N.C. natural gas infrastructure
- ACP Cost Recovery Summary
- Economic Development Opportunities Points from NC Department of Commerce
- Documents from ACP addressing policy questions and economic development questions
- SB 673 and bill summary that allows gas distributors to recover costs for extending natural gas to extraordinary economic development projects
- Trade journal article questioning the need for new pipelines
- Contacts to Governor's Policy Office on ACP

SUGGESTED TALKING POINTS

- Duke Energy has a lot going on: ACP, two double-digit rate cases, fight with the solar industry, coal ash clean-up, grid modernization.
- None of those issues makes consumers happy. All come with a cost.
- Many of my supporters don't believe it's necessary. Many of my Nash County neighbors hate it.
- It is costly, consumers will pay. And it they will be paying for a long, long time.
- In addition to the costs of the pipeline, consumers will pay more for electricity. More for grid modernization. You want them to pay more for coal ash clean-up.

- I am most interested in knowing what benefits North Carolina in general and eastern North Carolina in particular get from the ACP.

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